Internal Revenue Service/S&E

Performance Plans for FY2002 and FY2003

Actual Performance Figures are in **bold**, Final Targets are in plain text, and Proposed Targets are *italicized*.
Targets which were not met are shown in red.

Mission: The mission of the Internal Revenue Service is "To provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all."

Budget Activity: Pre-Filing Taxpayer Assistance & Education

Function: This activity provides services to a taxpayer before a return is filed to assist in filing a correct return.

Performance Goal:

Provide Assistance to Taxpayers in Understanding Their Tax Responsibilities and Preparing Accurate Tax Returns.

Performance Measure(s):	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Final Plan	FY2003 Proposed Plan
View Definition and Validation Employee Plans and Exempt Organization determination letters		**109,461**	**109,326** View Explanation	190,800	*215,300*
View Definition and Validation Number of Private Letter Rulings issued		**1,913**	**2,428**	2,000	*2,100*
View Definition and Validation Number of Taxpayer Advocacy Projects		**91**	**92**	88	*88*

Budget Activity: Filing and Account Services

Function: This activity supports services to a taxpayer in the process of filing returns and paying taxes, and includes the issuance of refunds and maintenance of taxpayer accounts.

Performance Goal:

Provide Assistance to Taxpayers in Filing Returns, Receiving Refunds, Making Payments, and Resolving Questions about their Accounts.

	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Final Plan	FY2003 Proposed Plan
Performance Measure(s):					
View Definition and Validation Customer satisfaction - Toll-Free		**3.41** View Explanation	**3.45** View Explanation	3.54	*3.56*
View Definition and Validation Customer satisfaction - Walk-in	**6.4** View Explanation	**6.5**	**6.4** View Explanation	6.55	*6.55*
View Definition and Validation Toll-free level of service (percent of calls to toll-free telephone assistance lines answered by customer assistor personnel)	**53.3%**	**60.6%**	**56.4%** View Explanation	71.5%	*76.3%*

View Definition and Validation Percentage of individual returns filed electronically	23.4%	28%	**30.7%** View Explanation	35%	*39%*
View Definition and Validation Electronic Federal tax payments (total number of electronic payments processed through the EFTPS (in millions)		63	**64.4** View Explanation	67.4	69.6
View Definition and Validation Toll-free Tax Law quality (percent of customers receiving accurate responses to their Tax Law inquiries)	74.1%	72.6%	75%	78%	*82%*
View Definition and Validation Toll-free accounts quality	81.7%	60%	69.2%	72%	*78%*

Budget Activity: Compliance Services

Function: This activity includes resources to provide services to a taxpayer after a return is filed and to identify and correct possible errors or underpayment.

Performance Goal:

Bring Taxpayers into Compliance with the Law

Performance Measure(s):	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Final Plan	FY2003 Proposed Plan
View Definition and Validation Customer satisfaction - Field	**3.9** View Explanation	**4.6**	**5.01**	5	*5*
View Definition and Validation Field Collection quality	**86%**	**83%**	**84%** View Explanation	85.4%	*86.8%*
View Definition and Validation Field Examination case quality score	**65%**	**57%** View Explanation	**70%**	72%	*72%*

View Definition and Validation Employee Satisfaction - Agency-wide	**55%** View Explanation	**59%**	**51%** View Explanation	54%	*58%*
View Definition and Validation Telephone customer satisfaction - ACS	**3.4**	**3.46** View Explanation	**3.46** View Explanation	3.53	*3.54*
View Definition and Validation Customer Satisfaction - Service Center examination	**3.87**	**4.04**	**4.18** View Explanation	4.45	*4.5*
View Definition and Validation Service Center examination quality	**90.7%**	**73%** View Explanation	**71%** View Explanation	74%	*76%*

View Definition and Validation Automated Collection System (ACS) level of service	**81%**	**79%** View Explanation	**77%** View Explanation	80%	*80%*
View Definition and Validation TAS casework quality index		**65.3**	**72**	80	*90*
View Definition and Validation Number of TAS closed		**237,885**	**248,011**	252,289	*256,552*
View Definition and Validation Individual return examinations less than $100,000	**289,725**	**187,891** View Explanation	**145,144** View Explanation	122,313	*157,844*

View Definition and Validation Individual Return Examinations greater than $100,000	**94,759**	**63,217** View Explanation	**50,827** View Explanation	54,468	*78,048*
View Definition and Validation Appeals cases closed		**54,986**	**54,748** View Explanation	67,560	*97,193*
View Definition and Validation Field Collection - Number of cases closed - Tax Delinquent Accounts (removed from active inventory)	**1,029,706**	**771,455**	**757,392** View Explanation	804,085	*1,088,967*
View Definition and Validation Field Collection - number of cases closed - Tax Delinquent Investigations	**168,271**	**144,764** View Explanation	**119,451** View Explanation	107,119	*135,941*

View Definition and Validation ACS closures - Taxpayer Delinquent Accounts	**1,532,309**	**1,006,600** View Explanation	1,012,628	*1,150,424*
View Definition and Validation ACS (Automated Collection System) closures - Taxpayer Delinquent Investigations (TDI)	**412,150**	**297,791** View Explanation	317,906	
View Definition and Validation Automated Underreporter (AUR) Closures	**2,888,900**	**2,511,424** View Explanation	2,919,980	*2,963,730*
View Definition and Validation Automated Underreporter (AUR) Quality (quality of all AUR account actions as a result of taxpayer inquiries or internal requests, post review - paper only)	**93%**	**95%**	97%	*97%*

View Definition and Validation Customer satisfaction - Field Examination	**4.08**	**4.41**	**4.65**	4.7	*5*
View Definition and Validation Total individual returns	**384,484**	**251,108**	**195,971** View Explanation	176,781	*235,892*
View Definition and Validation Number of returns examined (Business and General Industry)		**103,112**	**84,748** View Explanation	81,369	*109,556*
View Definition and Validation Number of cases examined (Coordinated Industry)		**328**	**417** View Explanation	566	*570*

View Definition and Validation Number of returns closed (Coordinated Industry)		**3,096**	**3,710** View Explanation	3,453	*3,477*
View Definition and Validation Employee Plans and Exempt Organizations customer satisfaction		**5.71**	**5.7**	5.7	*5.75*
View Definition and Validation Employee Plans/Exempt Organizations examination cases closed	**22,525**	**19,080**	**15,988** View Explanation	11,900	*12,300*
View Definition and Validation Employee Plans/Exempt Organizations examination quality		**83%**	**73%** View Explanation	81%	*83%*

Criminal investigations
completed

3,280

Performance Measure

Employee Plans and Exempt Organization determination letters

Definition and Validation

Definition: Cases established on the TE/GE Determination System (EDS) and closed on that system regardless of type of case or type of closing.

Verification and Validation: EDS is programmed to generate error registers that identify possible data discrepancies. The registers are provided monthly to the Director, EP Rulings and Agreements, the Director, EO Rulings and Agreements and to the Director, Business Systems Planning for resolution.

Data Accuracy: Reasonable accuracy.

Frequency of Data Availability/Reporting: Monthly

Performance Measure

Number of Private Letter Rulings issued

Definition and Validation

Definition: Total number of Private Letter Rulings (PLRs) completed by the Office of the Chief Counsel. PLR?s are written statements that address specific, tax-related issues pertaining to the taxpayer and the IRS about the tax treatment of particular matters before a taxpayers return is filed. These techniques reduce taxpayer burden, eliminate controversy, and enhance voluntary compliance, even before the taxpayer is involved. Private Letter Ruling program is the largest single program in Chief Counsel.

Verification and Validation: Case workload is logged in the CASE MIS project tracking system by the individuals involved with each case. Each Associate Chief Counsel involved with PLRs receives and verifies a quarterly run of case workload under their responsibility.

Data Accuracy: Reasonable Accuracy

Data Availability: Quarterly

Performance Measure

Number of Taxpayer Advocacy Projects

Definition and Validation

Definition: An Advocacy Project is an Operating Division Taxpayer Advocate (ODTA) project in which an operational issue is identified that adversely affects a group of taxpayers. The measure is a cumulative total of all Advocacy Projects to date by fiscal year.

Verification and Validation: A process to verify and/or validate the data collected is under development.

Data Accuracy: Reasonable

Data Availability: The data is made available through web-based reports that can be printed on a daily, weekly, or monthly basis. The data on these reports is real-time, or live, data. So each time a report is printed it reflects the most recent changes to the database.

Performance Measure

Customer satisfaction - Toll-Free

Definition and Validation

Definition: Customer's perception of IRS service received.

Verification and Validation: PCG compiles, verifies, and reports on the survey data. The service worked with PCG to design the survey process so that the Service can maintain an ?arms? length? relationship with the data gathering and reporting processes.

Data Accuracy: Reasonable Accuracy

Availability: Quarterly

Performance Measure

Customer satisfaction - Walk-in

Definition and Validation

Definition: From surveys established in 1998 customer service will create an index to represent overall satisfaction with walk-in services.

Verification and Validation: Operating Division
Sample size selected to provide a maximum of +/- 5% confidence interval at a 95% confidence level for lowest reporting of organization. Data Source: Customer Service Satisfaction Surveys

Data Accuracy: Reasonable Accuracy.

Data Availability: Quarterly

Performance Measure

Toll-free level of service (percent of calls to toll-free telephone assistance lines answered by customer assistor personnel)

Definition and Validation

Definition: The measure is reported as the percentage of taxpayers that are calling our toll-free services and speak to an assistor. Factors used to arrive at the level of service provided by assistors and taken into consideration in the calculation: Callers selecting an automated application, receiving a busy signal or abandoning while in queue waiting for an assistor.

Verification and Validation: ? daily site data is transmitted overnight to a database located in New Carrollton, MD. Each site is responsible to monitor data input and make corrections as necessary. National Office also monitors data input and looks for anomalies. When anomalies are identified, National Office contacts the site for validation and/or correction. This validation process continues throughout the fiscal year.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Percentage of individual returns filed electronically

Definition and Validation

Definition: Number of electronically filed individual tax returns divided by the total individual returns filed. Includes all returns where electronic filing is permitted (practitioner e-file, Telefile, VITA [Volunteer Income Tax Assistance], On ?Line Filing, Federal/State returns, etc.).

Verification and Validation: Returns filed through the e-file system are assigned unique Document Locator Number (DLNs) to identify them as electronically field returns. At the time of processing, returns filed electronically pass through a series of checks to ensure that the transmitter data and individual return data are correct and valid. Returns filed through Electronic Return Originators will not be accepted without correct electronic filer identification numbers (EFINs), matching entity information and correct Taxpayer Identification Number (TINs) or with incomplete information or erroneous information on any fields of the return. The summary data, including the number of individual returns filed electronically, is contained in Report 1541. The 308 reports are Master File reports extracts used by the service centers, which provide the actual number of returns filed. Initial management reviews are performed on the data to identify anomalies. Management production meetings are held in the service centers on a weekly basis for review and analysis of the data. When the total e-file record has been established and verified, the returns pass into routine processing streams and master file systemic checks. The electronic filing systems are maintained, updated, and routinely tested by Information Systems.

Data Accuracy: Reasonable Accuracy.

Data Availability: Monthly

Performance Measure

Electronic Federal tax payments (total number of electronic payments processed through the EFTPS (in millions)

Definition and Validation

Definition: All individual and business tax type payment made directly through Electronic Federal Tax Payment System (EFTPS), through IRS e-file, through payroll service providers or through credit card processors.

Verification and Validation: EFTPS Operations Reports compile statistics and perform balancing routines for all payment transactions processed through EFTPS. Report data is validated daily prior to the release of the Tape-Edit Processor (TEP) file to MCC.

Data Accuracy: Reasonable Accuracy - EFTPS Operations Reports compile statistics and perform balancing routines for all payment transactions processed through EFTPS. Report data is validated daily prior to the release of the Tape-Edit Processor (TEP) file to Martinsburg Computing Center.

Data Availability: Monthly

Performance Measure

Toll-free Tax Law quality (percent of customers receiving accurate responses to their Tax Law inquiries)

Definition and Validation

Definition: The percent of customers receiving accurate responses to their Tax Law inquiries. Evaluates the customer (external), administrative (internal) and regulatory accuracy of this service.

Verification and Validation: Sample Plans used by CQRS to review quality of Tax Law assistance at each site are designed by SOI for statistical validity. Several levels of validation occur as part of the review process. First, the input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. Second, the national reviews conducted by Centralized Quality Review Site staff on telephone product lines are sampled by local management and management officials at the CQRS site. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Toll-free accounts quality

Definition and Validation

Definition: The percent of customers receiving accurate responses to their account inquiries. Evaluates the customer (external), administrative (internal) and regulatory accuracy of this service.

Verification and Validation: Sample Plans used by CQRS to review quality of Tax Law assistance at each site are designed by SOI for statistical validity. Several levels of validation occur as part of the review process. First, the input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. Second, the national reviews conducted by Centralized Quality Review Site staff on telephone product lines are sampled by local management and management officials at the CQRS site. In addition, every review is available on-line to the site for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest any review.

Data Accuracy: Reasonable accuracy

Data Availability: Monthly

Performance Measure

Customer satisfaction - Field

Definition and Validation

Definition: Customers overall level of satisfac-tion with the way their cases were handled by the IRS Field Collection program. LIMITATIONS: on the Collection sample: only those customers who owe money to the IRS and have been referred to Collection are sampled. Samples drawn from the Collection Quality Measurement System (CQMS) database only include three types of closures; Currently Not Collectible/Hardship, Installment Agreements, and Full Pays. The sample does not include: cases with no case history, cases for customers the IRS cannot locate, cases where the statute has expired, bankruptcy cases, deceased taxpayers, and defunct or insolvent corporations. For cases involving an Offer in Compromise, only those offers that are accepted by the IRS are included.

Verification and Validation: Sample sizes are selected to provide maximum of +/- 5% confidence interval at a 95% confidence level. The Collection sample for customer satisfaction purposes is drawn from the Collection Quality Measurement System (CQMS) database and sent to an independent contractor on a monthly basis. The contractor uses a mail-out survey to obtain info on customers? perceptions of the service they receive and to identify opportunities for improving service to Collection customers.

Data Accuracy: Reasonable Accuracy.

Data Availability: Quarterly.

Data Source: Contractor database managed by the Customer Satisfaction group. - Sample sizes are selected to provide maximum of +/- 5% confidence interval at a 95% confidence level. The Collection sample for customer satisfaction purposes is drawn from the CQMS database and sent to an independent contractor on a monthly basis. The contractor uses a mail-out survey to obtain info on customers' perceptions of the service they receive and to identify opportunities for improving service to Collection customers.

Performance Measure

Field Collection quality

Definition and Validation

Definition: Total number of closures of Automated Underreporter Cases.

Verification and Validation: AUR Control System -This system controls and captures information on AUR cases. Reports are printed off this system. They are used by management for operational decisions and reported to National Office (NO) for the MISTLE (Management Information System for Top Level Executives) reports. Information is loaded onto the WP & C (Work Planning and Control) system and have identified OFP (Organization Function Program) codes.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: CQMS database

Performance Measure

Field Examination case quality score

Definition and Validation

Definition: The score awarded to a reviewed Field Examination case by a third-party reviewer using the Examination Quality Measurement System (EQMS) quality standards.

Verification and Validation: Reasonable Accuracy ? Factors that influence the reliability of the data include the accuracy of individual case reviews, sample size, age of sample being reviewed, and accuracy of case selection. EQMS sites have established a 3-tier validity process to ensure consistency.

Data Accuracy: Reasonable Accuracy

Data Availability: Quarterly

Data Source: Examination Quality Measurement System

Performance Measure

Employee Satisfaction - Agency-wide

Definition and Validation

Definition: A measure of employee?s satisfaction with their job at the IRS. At the Servicewide level the results of Item CO 1 (Considering everything, how satisfied are you with your job?) are used as the sole determining factor in the reported results. At the lower levels, survey questions regarding the employees perception of management practices, organizational barriers, and overall work environment that impacts an employees' efforts to do a good job are used in the results.

Verification and Validation: ? A contractor establishes a coding system and does a sample check of data to validate that employee input is correctly reported via paper or electronic media. The contractor also establishes a coding system and does a sample check of data to associate survey results with the correct organizational unit. The contractor prepares and validates the accuracy of management reports. A manual check of a sample of reports is made by the Employee Satisfaction Staff to verify report accuracy.

Data Accuracy: Reasonable Accuracy

Data Availability: Annually

Performance Measure

Telephone customer satisfaction - ACS

Definition and Validation

Definition: Customer?s perception of IRS service received through the ACS system. LIMITATIONS on survey respondents not affecting the statistical validity are as follows: ACS outgoing calls are not included in the survey due to technological limitations, and customers calling when IRS monitors are not available (Saturday, Sunday and some evening hours) are excluded from the survey. IRS is also looking at ways to improve survey participation within its Spanish-speaking community.

Verification and Validation: PCG compiles, verifies, and reports on the survey data. The service worked with PCG to design the survey process so that the Service can maintain an ?arms? length? relationship with the data gathering and reporting processes.

Data Accuracy: Reasonable Accuracy

Data Availability: Quarterly

Performance Measure

Customer Satisfaction - Service Center examination

Definition and Validation

Definition: Customer?s overall level of satisfaction with the IRS Service Center Examination process. LIMITATIONS: The following limitations are placed on the service center examination sample: sole proprietors and self-employed individuals and farmers, as well as individual shareholders and partners examined as a result of a corporate audit are included in the sample. The sample does not include businesses that file corporate and partnership returns, individuals who did not respond to correspondence and audit appointment letters, individuals IRS cannot locate and individuals with an international address.

Verification and Validation: Sample sizes are selected to provide a maximum of +/- 5% confidence level. The Audit Information System (AIMS) Closed Case database is programmed to generate valid samples of cases closed during the month. An independent contractor surveys these taxpayers via a mailout survey to obtain information on customers? perceptions of the service they receive and to identify opportunities for improving service to Service Center Examination customers.

Data Accuracy: Reasonable Accuracy

Data Availability: Quarterly

Performance Measure

Service Center examination quality

Definition and Validation

Definition: Quality of actions taken while working service center examination cases.

Verification and Validation: The QRDB has various systemic checks and will not accept records of reviewed calls that do not contain the correct information for each field. Reviews are conducted at the site level. These reviews are sampled by local management or by management officials at the Centralized Quality Review System (CQRS) site. Every review record is available on-line for verification purposes. Sites monitor their review records daily and have a small rebuttal period to contest results of any review. The database is designed to generate exception reports to identify errors. National Office analysts also review reports to verify that the sample extracts and volumes are calculated correctly. The database developers conduct random reviews of data for validation purposes.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Automated Collection System (ACS) level of service

Definition and Validation

Definition: The percentage of calls attempted (demand) compared to number of calls answered answered (calls which abandon after having been answered but while in queue for the next available assistor are not included in the count of calls answered) in Automated Collection System (ACS).

Verification and Validation: On a daily basis, each site gathers call data from the aspect and/or TRIS applications and inputs the data into WITS. Each site is responsible for monitoring data input and making corrections as necessary. National Office also monitors data input and looks for anomalies. When anomalies are identified, National Office contacts the site for validation and/or correction.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

TAS casework quality index

Definition and Validation

Definition: A tool to measure effectiveness in meeting customer expectations based on a random sample of cases reviewed and scored against customer service standards of timeliness, accuracy, and communication.

Verification and Validation: A Taxpayer Advocate (TAS) case is considered closed when all actions have been taken to resolve the taxpayer?s problem(s) and the taxpayer or representative has been notified. TAMIS is updated as cases are closed. The closed case data will be fed into an MS Access database. TAS will use appropriate statistical techniques to ensure random sampling of taxpayers to measure the effectiveness in meeting customer expectations.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: Taxpayer Advocate Management Information System (TAMIS); MS Access database

Performance Measure

Number of TAS closed

Definition and Validation

Definition: Straight line addition of the total number of regular criteria cases worked in TAS and closed on the Taxpayer Advocate Management Information System (TAMIS).

Verification and Validation: A TAS case is considered closed when all actions have been taken to resolve the taxpayer?s problem(s) and the taxpayer or representative has been notified. TAMIS is updated as cases are closed. The total number of cases worked in TAS and closed on TAMIS will be calculated using a data extract report from TAMIS on a monthly basis.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: TAMIS data base

Performance Measure

Individual return examinations less than $100,000

Definition and Validation

Definition: Number of individual (Form 1040) returns closed through a time period from the beginning of the fiscal year with a total positive income or total gross receipts less than $100,000.

Verification and Validation: There are various management reviews before an entry is input to AIMS. If the input does not pass validity and consistency checks as it is entered into AIMS, it is rejected. It must be corrected before the data is accepted, posted on AIMS, and sent to the Master File. If the data fails any Master File systemic checks, it is rejected and sent back to the originator for necessary action.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Individual Return Examinations greater than $100,000

Definition and Validation

Definition: Number of Individual (Form 1040) returns closed through a time period from the beginning of the fiscal year with a total positive income or total gross receipts greater than $100,000.

Verification and Validation: ? There are various management reviews before an entry is input to AIMS. If the input does not pass validity and consistency checks as it is entered into AIMS, it is rejected. It must be corrected before the data is accepted, posted on AIMS, and sent to the Master File. If the data fails any Master File systemic checks, it is rejected and sent back to the originator for necessary action.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: Audit Information Management System Closed Case Database

Performance Measure

Appeals cases closed

Definition and Validation

Definition: Total Cases Closed (Total Disposals) equals the total number of cases closed in Appeals. This includes both non-

docketed and docketed cases. (A docketed case is one in which a taxpayer has filed a petition in the Tax Court.) This measure is currently reported as workunits A workunit represents a single case or group of related cases, which are being considered by Appeals as one unit for settlement of decision purposes.

Verification and Validation: The ACDS includes front-end accuracy/consistency checks and cross-validations (prior to transmission of data for storage. ACDS also includes numerous reports for validating data with other parts of IRS such as UNImatch, AIMS validation and Status 81 list.ACDS includes annual physical and electronic inspections and verification of statutes.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Field Collection - Number of cases closed - Tax Delinquent Accounts (removed from active inventory)

Definition and Validation

Definition: A count of the number of actual TDA dispositions completed by field Revenue Officers on a monthly basis. A TDA disposition arises on IDRS when the status of an account changes from an open status to a closed status (any) as defined in Section 8 of Document 6209 (ADP/IDRS Information.) The measure is reported as modules.

Verification and Validation: The number of TDAs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of weekend processing.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Field Collection - number of cases closed - Tax Delinquent Investigations

Definition and Validation

Definition: A count of the number of actual TDI dispositions completed by field Revenue Officers on a monthly basis. This measure reflects actual Taxpayer Delinquent Investigation Dispositions and is reported as entities.

Verification and Validation: The number of TDIs disposed is determined by computer analysis on the IDRS computer system. Reports are compiled monthly with data extracted as part of weekend processing.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: NO-5000-3 Taxpayer Delinquency Investigation Monthly Report or NO-5000-4 Taxpayer Delinquency Investigation Cumulative Report.

Performance Measure

ACS closures - Taxpayer Delinquent Accounts

Definition and Validation

Definition: Number of entity closures produced in the Automated Collection System (minus systemic reductions). Data is reported as entities.

Verification and Validation: Data at the National level is good. Site level data is of questionable accuracy because the Collection Activity Reports are configured according to the old district office organization, not the Automated Collection System workload alignment or the new IRS reorganization. The problem will be corrected with the completion of the service center realignment scheduled for the end of calendar year 2002.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

ACS (Automated Collection System) closures - Taxpayer Delinquent Investigations (TDI)

Definition and Validation

Definition: Number of Closures (entities) produced in the Automated Collection System (minus systemic inventory reductions).

Verification and Validation: Data at the National level is good. Site level data is of questionable accuracy because the Collection Activity Reports are configured according to the old district office organization, not the Automated Collection System workload alignment or the new IRS reorganization. The problem will be corrected with the completion of the service center realignment scheduled for the end of calendar year 2002.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Performance Measure

Automated Underreporter (AUR) Closures

Definition and Validation

Definition: Total number of closures of Automated Underreporter Cases.

Verification and Validation: Site. Total number of AUR cases in closed status. The historical average is approximately 1.15 cases closed per hour. Data Source: Data is acquired through the Automated Underreporter Control System.

Data Accuracy: Reasonable Accuracy - AUR Control System - This system controls and captures information on AUR cases. Reports are printed off this system. They are used by management for operational decisions and reported to National Office (NO) for the MISTLE (Management Information System for Top Level Executives) reports. Information is loaded onto the WP & C (Work Planning and Control) system and have identified OFP (Organization Function Program) codes. MISTLE - Every Monday, each of the service centers receives feeder sheets from each of the functional areas. Information on the feeder sheets are consolidated by a Program Analyst and transmitted to the National Office (NO) Management Information System (MIS) Program Analyst by the COB on Monday. On Tuesdays, the NO MIS Program Analyst reviews each one of the service centers' files and consolidates them onto the MISTLE reports. At each level, there are validation checks and reviews are made for reasonableness. If there are any discrepancies in historical data, the MISTLE data are relied on as the agreed figures. Most figures are driven by OFP codes.

Data Availability: Monthly

Performance Measure

Automated Underreporter (AUR) Quality (quality of all AUR account actions as a result of taxpayer inquiries or internal requests, post review - paper only)

Definition and Validation

Definition: The quality of all AUR account actions as a result of taxpayer inquiries or internal requests. (Paper only - Post review)

Verification and Validation: The QRDB contains several levels of validation that occur as part of the review process: 1.) The input records are validated requiring entries and combinations of entries based upon the relationships inherent in different product lines or based upon an entry in a quality attribute. 2.) The National reviews conducted at the various sites for paper product lines are sampled by local management or management officials. In addition, every review record is available on-line to the functional area for verification purposes.

Data Accuracy: Reasonable Accuracy.

Data Availability: Monthly

Data Source: Customer Service Quality Review Database (QRDB)

Performance Measure

Customer satisfaction - Field Examination

Definition and Validation

Definition: Customers' overall level of satisfaction with the way their cases were handled by the Field Examination Program.

Verification and Validation: Sample sizes selected to provide maximum of +/- 5% confidence interval at 95% confidence level. The Audit Information Management System (AIMS) Closed Case database is programmed to generate valid samples of cases closed during the month. An independent contractor surveys these taxpayers via a mail out survey to obtain information on customers? perceptions of the service they received and to identify opportunities for improving service to Examination customers.

Data Accuracy: Reasonable Accuracy

Data Availability: Quarterly

Data Source: Contractor Database managed by the Customer Satisfaction group.

Performance Measure

Total individual returns

Definition and Validation

Definition: Combined count of the Number of Individual (Form 1040) returns closed through a time period from the beginning of the fiscal year with a total positive income or total gross receipts less than or greater than $100,000.

Verification and Validation: Data for critical measures 2570 and 2580 is of Reasonable Accuracy ? there are various management reviews before an entry is input to AIMS. If the input does not pass validity and consistency checks as it is entered into AIMS, it is rejected. It must be corrected before the data is accepted, posted on AIMS, and sent to the Master File. If the data fails any Master File systemic checks, it is rejected and sent back to the originator for necessary action.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: Data for critical measures 2570 and 2580 originates from the Audit Information Management System (AIMS) Closed Case Database

Performance Measure

Number of returns examined (Business and General Industry)

Definition and Validation

Definition: All industry returns closed (includes all classes of returns)

Verification and Validation: ? the AIMS reporting system contains programming to eliminate potential multiple counting of multiple closures of the same return (e.g. ? a return closes from Exam to Appeals, is returned to Exam for further work and then is closed from Exam a second time). The processing of closed cases is integrated with the AIMS reporting system.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: Audit Information Management System (AIMS) closed case database, accessed via A-CIS (an MS Access application).

Performance Measure

Number of cases examined (Coordinated Industry)

Definition and Validation

Definition: The number of regular Coordinated Industry cases closed during the period ("R1" cases; i.e. - not including claim cases, cases returned from Appeals, or non-examined closures).
A Coordinated Industry case consists of one or more tax years of the primary taxpayer (usually a large corporate return) plus all related returns examined in conjunction with the primary taxpayer.

Verification and Validation: Individual case closures reflected on CEMIS are monitored monthly by first and second level management. Due to the small population of Coordinated Industry (Large Case) cases, discrepancies between actual and reported closures are readily identified and corrected.

Data Accuracy: Reasonable accuracy

Data Availability: Monthly

Performance Measure

Number of returns closed (Coordinated Industry)

Definition and Validation

Definition: All Coordinated Industry corporate (F1120) returns closed with activity codes 203 through 225.

Verification and Validation: ? the AIMS reporting system contains programming to eliminate potential multiple counting of multiple closures of the same return (e.g. ? a return closes from Exam to Appeals, is returned to Exam for further work and then is closed from Exam a second time).

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Source: Audit Information Management System (AIMS) closed case database, accessed via A-CIS (an MS Access application).

Performance Measure

Employee Plans and Exempt Organizations customer satisfaction

Definition and Validation

Definition: Customers' overall level of satisfaction with the way their cases were handled by the IRS Employee Plans and Exempt Organization Determination programs.

Verification and Validation: The overall satisfaction scores for EP and EO Examination are based on surveys mailed to all eligible customers with closed examination cases with the goal of producing estimates of customer satisfaction with no more than a +/- 5 margin of error at the 95% confidence level.

Data Accuracy: Reasonable Accuracy

Data Availability: Statistically valid results for each of the four customer transactions surveyed are available quarterly at the National level.

Performance Measure

Employee Plans/Exempt Organizations examination cases closed

Definition and Validation

Definition: The number of Employee Plan and Exempt Organization return examinations closed in all categories.

Verification and Validation: AIMS is programmed to generate regular error registers that identify possible data discrepancies The Director, EO Examinations and EP Examinations are responsible for correcting errors and the Director, Business Systems Planning monitors the error registers to ensure correction accuracy. Periodically, AIMS is SAT (systems acceptability testing) tested to ensure it is programmed to work in accordance with system requirements. In addition, the data collection system is checked periodically to ensure that the reports produced are correct.

Data Accuracy: Reasonable Accuracy

Data Availability: Monthly

Data Availability: Monthly

Performance Measure

Employee Plans/Exempt Organizations examination quality

Definition and Validation

Definition: The level of quality in the EP or EO examination program, as measures by the Tax Exempt Quality Measurement System (TEQMS).

Verification and Validation: Annual sample size selected to provide a +/- 7% margin of error at a 95% confidence level. The EP/EO return Inventory Control System (ERICS) samples cases that are ready for closing at the group level on a daily basis. Both electronic input forms and the TEQMS database contain information validity checks. Errors are resolved by Special Review and Headquarters staff.

Data Accuracy:

Data Availability: Quarterly

Performance Measure

Criminal investigations completed

Definition and Validation

Defintion: This measure includes all subject criminal investigatons completed by Criminal Investigation during the fiscal year. This includes investigations that resulted in a criminal prosecution recommendation to the Department of Justice as well as investigations that were discontinued due to a lack of evidence or to a finding that the original allegation was false.
Verification/Validation: All cases have a unique number assigned through an automated input system which contains validity and business rule checks. The system tracks the status of the investigation from initiation through legal review and final disposition.
Data Accuracy: Reasonable Accuracy

Explanation:FY2001　　**Performance Measure:**　Employee Plans and Exempt Organization determination letters

The planned number of determination case disposals was predicated on the projected volume of application receipts. The shortfall was primarily due to an unexpected shortfall in receipts for plan amendments under new pension laws. Those receipts are expected in the first quarter of FY 2002 and will increase both receipts and cases closed fy FY 2002. Determination closures were slightly (less than 2%) below plan due to an increase in time applied per case associated with new agent hires. The establishment of dedicated determination groups in FY 2002 should result in improvements in determination consistency and productivity.

Explanation:FY2001　　**Performance Measure:**　Customer satisfaction - Toll-Free

On a scale of one to four (four is very satisfied), the average satisfaction rating is 3.46 with the percentage of satisfied customers at 57% (an increase from 54% in FY 2000). Based on survey results, research is being conducted to identify areas where service can be improved. Preliminary findings from a focus group in September 2001 centered on confusing notices, lengthy phone hold times, calls not returned, and practitioner need for IRS to expand its e-file solutions. In FY 2002 implementation of data directed routing and voice recognition capability will provide us with an ability to assist more customers either through automated systems or live assistors, alleviating complaints around access to our systems. We also plan to implement two new automated communication solutions, Internet Refund information and the Remittance Transaction Research System to better deal with some of the top 20 customer complaints. In addition, we are refocusing our training of assistors to address specific topics/issues to better serve our customers and address more of their concerns as we approach the upcoming filing season.

Explanation:FY2001　　**Performance Measure:**　Customer satisfaction - Walk-in

In FY 2001 the targeted level of customer satisfaction was not achieved primarily due to taxpayer dissatisfaction with wait times for assistance in our centers. Taxpayers who walked in for assistance frequently waited what was viewed as unreasonable amounts of time for to get help with account related questions due to the practice of a first-in first-out assistance regardless of the problem. This Although we did not achieve our target for the year, during the period Jan - Mar (our busiest period in the toll free area) we did achieve a customer satisfaction rating of 6.46, with the overall average for the year standing at 6.4. During FY 2001 we initiated several actions to positively impact the customer experience in our tax assistance centers including implementing revised return preparation procedures including income limits and same day appointments to target service to those most in need of our assistance. We conducted Problem Solving Days throughout the nation and began to routinely incorporate the process of "Tax Solutions" (bringing the concepts developed for Problem Solving Days into each workday) in each of our centers. We also developed a concept of operations for our centers that identifies actions to improve the quality and accuracy of tax law communication with taxpayers. In FY 2002, as a result of focus group feedback we plan to implement a new comment-card style intercept designed to provide us with better data on taxpayers who use the services in our taxpayer assistance centers.

Explanation:FY2001　　**Performance Measure:**　Toll-free level of service (percent of calls to toll-free telephone assistance lines answered by customer assistor personnel)

The level of service for the full fiscal year was significantly affected by the large volume of calls during July, August and September due to the special advance refund, resulting in longer wait times and a lower than planned assistor level of service despite answering approximately the planned number of assistor calls. During the filing season period, which ended before the special refund calls began to come in, assistor level of service was at 64%, an increase of 5.13 percent from FY 2000 filing season level. The fiscal year variance from target was caused primarily by longer handle times for account calls, which in turn is partly due to the diversion of more simple calls to automated services. Actions to improve performance in this area in FY 2002 include: providing additional staff to answer more calls during core hours of operation and entering into a study to identify and address reasons for the increase in Average Handle Time.

Explanation:FY2001　　**Performance Measure:**　Percentage of individual returns filed electronically

While the practitioner and on-line components of both measures experienced increases (14.2% and 36.02% respectively) and the total individual electronic program showed an overall 13.57% increase, the failure to meet the projection can be attributed to two factors; 1) The level of growth expected when developing projections (based on past experience) did not materialize and; 2) TeleFile accepted returns showed a decrease of 14.37% over last year due to several factors. Contributors include: problems experienced with the print vendor, not marketing to the total population of qualified taxpayers (taxpayers who used a practitioner were eliminated), tax packages printed with incorrect customer service numbers, and minor systemic problems with the TeleFile system. All of these problems are expected to be overcome for the FY 02 filing season. Also, in

FY 02 we plan to continue advertising and marketing of electronic filing and expand programs such as electronic signature, electronic payment options and include more forms and schedules available to taxpayers, all in an effort to ensure that participation in electronic filing continues to grow.

Explanation:FY2001   **Performance Measure:**   Electronic Federal tax payments (total number of electronic payments processed through the EFTPS (in millions)

The original forecast of 67.5 million was based on actual EFTPS filing experience through February 2000. Later forecasts had the benefit of 11 more months of actual filing experience and showed that 64.7 million was a more realistic target. Another uncertainty in the original forecast included an estimate of the impact of IRS formally eliminating the magnetic tape filing option ? a step that was not fully completed at the time the initial forecast was provided. In FY 02 we plan to continue promotion of easy to use payment options with the expectation that taxpayer demand calls for increased use of electronic commerce options when transacting with the IRS. This expectation is based on proven increased demand for electronic filing, increased demand through the IRS website for information and downloads of forms & publications as well as the steady growth in electronic payment options since pilot and implementation of electronic debit/credit card and ACH debit payments.

Explanation:FY2001   **Performance Measure:**   Field Collection quality

The drop in the quality rate can be traced to a decrease in the documentation and compliance check standard. Small Business/Self-Employed has formed a team to review the Collection Quality Measurement System (CQMS) processes, including the standards and methodology used to compute the score while the Collection Re-engineering team is considering providing relief by easing the documentation standards. The month to month results in this area were also skewed when it was discovered that for a period of 8 months one of the two CQMS sites reviewed cases from only the Integrated Collection System rather than also reviewing the hard copy case file. Once that is factored in, results show gradual improvement as the additional cases filter through the process. Plans to reach the FY 02 target include improvement in the content and delivery of the Internal Revenue Manual, targeted training opportunities for both employees and managers, procedural improvement and a plan to test the concept of imbedded quality.

Explanation:FY2001   **Performance Measure:**   Employee Satisfaction - Agency-wide

The decline from 60% in 00 to 51% in 01 can be attributed to the effects of the reorganization which are also showing up as negative results in the subsequent survey given to a sample of the employee population to assess the climate of the agency. Whatever the causes, the Commissioner has made improving employee satisfaction results the responsibility of each individual manager (it's an element in each manager's performance plan) and every operating and Functional Division (OD and FD's). Those individual workgroup meetings are taking place now, and the results will be seen when the 2002 survey is administered beginning in April 2002. The Gallup Organization contends an organization changes its culture (and thus its survey results) at the workgroup level rather than as a corporate level response. The Divisions are now analyzing their census survey results in light of their Climate Survey data to determine what (if any) additional Division-level responses are needed.

Explanation:FY2001   **Performance Measure:**   Telephone customer satisfaction - ACS

Taxpayer dissatisfaction and the shortfall in 01 are due to needed revisions to front-end script, escalating wait times and lack of specialized sites to meet unique taxpayer needs. While improvements to scripts and implementation of intelligent call routing helped improve the factor the factor for customer access additional planned improvements for FY 02 include enhanced technology for call routing, adding Spanish language network prompts, and data directed routing. In addition, increased monitoring of telephone calls will allow us to gain better understanding of customer needs.

Explanation:FY2001   **Performance Measure:**   Customer Satisfaction - Service Center examination

Taxpayer dissatisfaction and the resultant shortfall in 01 were due to several factors within the survey in addition to external factors such as envelopes being too small for documents requested from the taxpayer, multiple letters sent to the taxpayer to question different issues, and needed streamlining of the 90-day timeframe on no response cases. Length of Time on Case, Time Spent on Audit, Explanation of Audit, Explanation of Adjustments, Ease of Understanding Report, Explanation of Process, and Explanation of Records Required factors within the satisfaction score. During FY 01 development of one new publication to replace 3 previous documents are expected to impact satisfaction scores over the long term in the following areas: Explanation of Records Required, Consideration of Taxpayer Information, Explanation of Taxpayer Rights, Explanation of Process, and Fairness of Treatment. In FY 02 actions to improve the satisfaction score include delivery of

automated research tools to employees, tailoring workplans to particular groups of taxpayers, improved guidance and education programs targeted to the taxpayers most common problems.

Explanation:FY2001

Performance Measure: Service Center examination quality

Timeliness in case processing is the driver in failure to meet the target in this area. Backlogged inventories of overage correspondence (83%) caused by the loss of more experienced examiners through attrition (learning curve of new examiners is a contributing factor in age of cases) are impacting the quality level by as much as 20 points out of 100. Improvements planned for FY 02 include engaging front line employees and managers in determining business and system requirements, redesign of content and delivery of the IRM and providing enhanced research tools.

Explanation:FY2001

Performance Measure: Automated Collection System (ACS) level of service

The target was not met in 01 due to the following factors: incoming script choices confusing to the taxpayer, and restrictions to call routing capability that caused excessive taxpayer wait times. We plan to continue focus on improving our service with additional enhancement in FY 02. Fine tuning the enterprise-wide call routing capability and rolling out an initial round of data directed routing capability to refine the type of calls answered in ACS. Coupled with our intent to increase access to more self-service applications will allow us to maximize our existing resources.

Explanation:FY2001

Performance Measure: Individual return examinations less than $100,000

Reasons for the decline in Field Examination closures include reduction in staff from original budget, mix of staff applied, hours per return higher than planned, direct examination time lower than planned, and insufficient work-in-process. Operational Reviews of all Areas were conducted to assess causes and address the increase in hours per case and decrease in examination time. Immediate emphasis has been placed on building & maintaining optimal inventory levels, case management, and issuing program guidance. An Examination Re-engineering effort has been initiated to identify improvement opportunities. Improvements in FY 02 are expected from the hiring of additional resources (565 Revenue Agents and 108 Tax Compliance Officers hired in FY 01) and decrease of compliance support of the filing season.

Explanation:FY2001

Performance Measure: Individual Return Examinations greater than $100,000

The original plan assumed increases in resources; percentages of direct time applied, and reduction in the time per return. These improvements were not realized resulting in fewer returns closed. Immediate emphasis has been placed on building and maintaining optimal inventory levels, case management, and issuance of revised program guidance. Improvements in FY 2002 are expected from the hiring of additional resources (565 Revenue Agents and 108 Tax Compliance Officers hired in FY 2001) and decrease of compliance support of the filing season.

Explanation:FY2001

Performance Measure: Appeals cases closed

During FY 01, the IRS Appeal division workload continued to shift from examination to predominantly collection-type work, including Collection Due Process. In response to this change in workload, Appeals diverted its resources to accommodate the dramatic increase in collection work and continued its comprehensive training program of retraining and mentoring existing Appeals personnel to handle this new source of work. This effort resulted in over 500 appeals officers being trained to handle collection work. The impact of diverting resources and retraining existing Appeals personnel to accommodate the shift in workload contributed to an increase in cycle time and subsequently lower than planned productivity in Appeals for FY 01. For FY 02, one of Appeals' operational priorities is to reduce the backlog of Collection cases, including Collection Due Process. Appeals will accomplish this by devoting additional resources to work these cases, improving case development practices, case management and segmentation guidelines, communications and technology. Also, the vast majority of Appeals personnel have completed the necessary training to work these cases. These planned actions for FY 02 will enable Appeals to increase the number of cases closed by 23% (from 54,748 in FY 01 to 67,560 in FY 02.)

Explanation:FY2001

Performance Measure: Field Collection - Number of cases closed - Tax Delinquent Accounts (removed from active inventory)

Closures were impacted by the increased complexity of Small Business/Self Employed inventory, staffing decline in previous years, Collection Due Process procedures, resource shift to work Offer In Compromise cases, and additional process steps still in place from the Restructuring and Reform Act of 1998. Significant improvements should be realized in FY 2002 when the new Revenue Officers hired in FY 2001 (475) reach their full working level. In addition, specific initiatives for FY 2002 include reduction of Revenue Officer details to other functions, implementation of the Inventory

Replacement initiative, continued training of FY 2001 hires and development of a hiring plan for the latter part of the fiscal year.

Return to Main Report

Explanation:FY2001

Performance Measure: Field Collection - number of cases closed - Tax Delinquent Investigations

Closures were impacted by the increased complexity of Small Business/Self Employed inventory, staffing decline in previous years, Collection Due Process procedures, resource shift to work Offer In Compromise cases, and additional process steps still in place from the Restructuring and Reform Act of 1998. Significant improvements should be realized in FY 2002 when the new Revenue Officers hired in FY 2001 (475) reach their full working level. In addition, specific initiatives for FY 02 include reduction of Revenue Officer details to other functions, implementation of the Inventory Replacement initiative, continued training of FY 2001 hires and development of a hiring plan for the latter part of the fiscal year.

Return to Main Report

Explanation:FY2001

Performance Measure: ACS closures - Taxpayer Delinquent Accounts

Our original target of 1,655,000 was determined to be flawed after identification of a systemic problem within our management information system that caused a double count of systemic closures, inflating the base we used to develop the 2001 target. Upon discovery, a more accurate target was determined to be 1,087,400. The revised target was not met due to an increase in overall case processing time due to the 1998 Restructuring and Reform Act Legislation related requirements concerning Installment Agreement requests, and those cases where enforcement action was deemed necessary. In addition, the learning curve for adjustment processing and other new work items in the Automated Collection System inventory causes more time per case to be spent thus reducing the closures per hour rate. In FY 2002 improved process training on selected inventories will enhance employee skills. In addition, the completion of the migration of Individual Master File and Business Master File to designated sites coupled with full implementation of Integrated Case Processing capabilities and enterprise call routing are expected to be factors in the productivity increases planned.

Return to Main Report

Explanation:FY2001

Performance Measure: ACS (Automated Collection System) closures - Taxpayer Delinquent Investigations (TDI)

The IRS original target of 752,000 was determined to be flawed after identification of a systemic problem with a management information system that caused a double count of systemic closures, inflating the base used to develop the 2001 target. Once that problem was discovered, it was determined a more accurate target would be 400,376. The revised target was not met due to the need to provide staff to answer increased telephone call volumes. Also impacting closures in this area were delays in hiring, greater focus placed on Taxpayer Delinquent Account inventories and suspension of the 6020(b) program (which gives IRS the authority to prepare a return for the business taxpayer) which did not resume until July, 2001. While call site consolidation planned for FY 2002 will provide some relief to staffing needs, TDIs will continue to remain a low priority inventory item and without an enforcement alternative expectations are productivity will remain stable.

Return to Main Report

Explanation:FY2001

Performance Measure: Automated Underreporter (AUR) Closures

An 8-week delay in starting the Tax Year 1999 inventory due to a systemic problem coupled with a reduction in screenout closures (29% versus the planned 40%) attributed to an inventory shift between the Small Business/Self-Employment and Wage & Investment units. These were direct contributors in the failure to meet the target. In FY 2002 initiatives to complete the plan include: completion of the workload migration plan, application of additional staff to work the inventory and testing plans to rotate the document matching selection criteria to expand coverage and improve voluntary information return reporting on individual income tax returns.

Return to Main Report

Explanation:FY2001

Performance Measure: Total individual returns

The FY 2001 planning assumptions were made with limited historical information. Also, there was a larger than expected expenditure of time in areas that do not ordinarily result in a closed case. Accordingly, the number of returns that were planned did not materialize. Improvements in FY 2002 are expected from the hiring of additional resources (565 Revenue Agents and 108 Tax Compliance officers hired in FY 2001) and a decrease in compliance support of the filing season.

Return to Main Report

Explanation:FY2001

Performance Measure: Number of returns examined (Business and General Industry)

Reasons for the decline in Field Examination closures include reduction in FTE's from original budget, mix of FTE's applied, hours per return higher than planned, direct examination time lower than planned, and insufficient work-in-process. Operational Reviews of all Areas were conducted to assess causes and address the increase in hours per case and decrease in examination time. Immediate emphasis has been placed on building & maintaining optimal inventory levels, case

management, and issuing program guidance. An Examination Re-engineering effort has been initiated to identify improvement opportunities. Improvements in FY 2002 are expected from the hiring of additional resources (565 Revenue Agents and 108 Tax Compliance Officers hired in FY 2001) and decrease of compliance support of the filing season.

Explanation:FY2001

Performance Measure: Number of cases examined (Coordinated Industry)

The increase in cases examined in FY 2001, as compared to FY 2000, is attributed to a large number of staff redirected to case examination. In FY 2000, a large number of staff within the Large/ Mid-Size Business were engaged in design teams activities focused on organization and stand up. For FY 2002, Large/Mid-Size Business exam teams will receive new tax computation software for corporate returns that will expedite computation of proposed deficiencies, resulting in a reduction in employee burden, taxpayer burden and overall cycle time. In addition, efforts to redesign the post-filing examination processes will continue in FY 2002.

Explanation:FY2001

Performance Measure: Number of returns closed (Coordinated Industry)

The increase in cases examined in FY 2001, as compared to FY 2000, is attributed to a large number of staff re-directed to case examination. In FY 2000, a large number of staff in Large/Mid Size Business were engaged in design team activities focused on organization and stand up. For FY 2002, Large/Mid-Size Business exam teams will receive new tax computation software for corporate returns that will expedite computation of proposed deficiencies, resulting in a reduction in employee burden, taxpayer burden and overall cycle time. In addition, efforts to redesign the post-filing examination processes will continue in FY 2002.

Explanation:FY2001

Performance Measure: Employee Plans/Exempt Organizations examination cases closed

A surge in determination receipts was expected and inventories of open examination cases were kept low in order to ensure a smooth transition of agents from working examinations to determinations. When the anticipated volume of determination receipts did not materialize, additional returns were placed in process. Many of the additional returns were larger plans that require longer processing time and resulted in fewer returns closed than expected. In FY 2002, the Exempt Organization units will continue to address these problems, through sharing of best practices to improve timeliness and through new operating priorities to stabilize and refocus Examination resources and improve EO's presence in the tax-exempt community.

Explanation:FY2001

Performance Measure: Employee Plans/Exempt Organizations examination quality

The overall decline in quality was primarily attributed to the Examination Planning and Workpapers standards which were found to be inconsistent with current work processes and require modification. These quality standards were addressed through targeted training sessions in FY 2001 and emphasis on quality will continue during regular training for all agents in FY 2002.

Explanation:FY2000

Performance Measure: Customer satisfaction - Toll-Free

While not meeting the target in FY 2000 a great deal of focus was placed on staffing resources during core hours, utilization of automated services during core and non core hours and expansion of the electronic referral capability. New initiatives were implemented such as: post-routing of calls after hours to sites in the Western Region, routing of account and refund traffic to call sites in service center locations, adjusting access to achieve an appropriate balance on all product lines. and voluminous prompting to more adequately identify caller need and the most appropriate center to handle those needs. Again in FY 2001 significant enhancements are planned in the toll?free area including the use of network prompting and voice recognition (scheduled for implementation in February 2001) and a more integrated work planning and control system to provide local management with more information to monitor adherence to schedules. In addition, as a result of a TIGTA audit of the toll-free customer satisfaction survey actions will be taken in FY 2001 to ensure that the survey is administered properly and that data to report survey results are reliable, valid and verifiable and meets GPRA requirements.

Explanation:FY2000

Performance Measure: Field Examination case quality score

Quality results were relatively stable during the year. Improvement opportunities were not realized due in part to standards related to RRA 98 procedures not being met. Also, concerns regarding the sampling were addressed to ensure valid samples of cases were reviewed. Analysis of the data reflects that improvements in 3 standards, Audit Scope, Audit Planning and Workpapers will substantially impact performance in the future.

Telephone customer satisfaction - ACS

	Performance Measure:	

Explanation:FY2000

Beginning in FY 2000 the IRS moved to an automated survey system and testing revealed that a 4-point scale works better with an automated survey. However, the FY 2000 plan values were not re-calculated at that time. This was an oversight by the former Customer Service organization.

Performance Measure: Service Center examination quality

Explanation:FY2000

Decreases in quality can be attributed to the change in review methodology effective in July 1999. The previous methodology (%correct) resulted in a higher quality score while moving to the service center standard of identifying correct/incorrect review resulted in the lower quality rates which were anticipated for start up upon moving. The timeliness aspect of the quality measurement also caused lower scores and as a result will be removed from the equation since timeliness does not denote the quality of the work product and will be tracked as a separate measure in FY 2001.

Performance Measure: Automated Collection System (ACS) level of service

Explanation:FY2000

Call attempts and calls answered continued to decline for FY 2000. Call attempts were down as a result of the discontinuance of systemic levies. Additional changes occurred to streamline processing of the reinstated lien, levy and final notices improved ACS activity during FY 2000 and should show significant improvement in FY 2001.

Performance Measure: Individual return examinations less than $100,000

Explanation:FY2000

The resources devoted to modernization (including design team, task groups, NTEU negotiations, etc.) caused a significant drain on resources that could be devoted to direct exam work. In addition, the resources devoted to the filing season exceeded projections. Every hour devoted to the filing season detracted from the ability to meet our stated objectives. An increase in closures for FY 2001 is projected to range between 5% and 10% due to improvement opportunities such as: priority work being directed to identified areas of noncompliance, centralization of exam selection, reduction of time spent by examination staff on training and details to Customer Service, providing training to managers on inventory management, and the hiring of new agents.

Performance Measure: Individual Return Examinations greater than $100,000

Explanation:FY2000

The resources devoted to modernization (including design team, task groups, NTEU negotiations, etc.) caused a significant drain on resources that could be devoted to direct exam work. In addition, the resources devoted to the filing season exceeded projections. Every hour devoted to the filing season detracted from the ability to meet our stated objectives. An increase in closures for FY 2001 is projected to range between 5% and 10% due to improvement opportunities such as: priority work being directed to identified areas of noncompliance, centralization of exam selection, reduction of time spent by examination staff on training and details to Customer Service, providing training to managers on inventory management, and the hiring of new agents.

Performance Measure: Field Collection - number of cases closed - Tax Delinquent Investigations

Explanation:FY2000

There are several internal factors that impacted the overall number of case dispositions. Decreases in staffing and increases in the number of employees providing assistance to other functions have resulted in fewer employees being available to work Collection cases. In addition, a shift in Collection's workload priorities, halfway through FY 1999, also impacted the indicator. TDI dispositions, although important, are not Collection's main focus. Providing quality, timely service to taxpayers that have contacted Collection in attempts to resolve their accounts are serviced first. A 2% increase is projected for FY 2001 by maximizing the use of the filing season resources from other areas, allowing for an increase in the direct time spent on inventories of TDI's.

Performance Measure: Customer satisfaction - Walk-in

Explanation: FY1999

Baseline

Performance Customer satisfaction - Field

Explanation: FY1999 **Measure:**

This measure was split in two to be able to measure Field and Office separately. The baseline for Field was established at 65%, and that for Office at 70%.

Performance Employee Satisfaction - Agency-wide

Explanation: FY1999 **Measure:**

Baseline